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For immediate release

## **City of Long Beach Files Fraud Lawsuit Against Individual Officers/Directors of Lehman Bros and its Accountants**

Today the City of Long Beach filed suit in Los Angeles Superior Court against certain officers and directors of Lehman Brothers, as well as their auditors, seeking to recover its investment of nearly \$20 million, lost as a result of the demise of Lehman. Additionally, the City will seek punitive damages as a result of their fraudulent misconduct.

This action is separate from the City's legal efforts in the Lehman bankruptcy proceeding. "The factual circumstances leading up to Lehman's bankruptcy filing as set forth in the complaint, reveal a pattern of unparalleled misconduct by obscenely over compensated individuals," City Attorney Robert Shannon stated, "We intend to aggressively pursue full recovery of our losses on behalf of the taxpayers of Long Beach."

Bruce Simon, of Pearson, Simon, Warshaw & Penny, one of the attorneys representing the City, added "Protecting the public trust is at the heart of this case. Those who helped Lehman, like their auditors, provided credibility to a financially distressed company which allowed Lehman to raise money right up to the bitter end. When the public watchdogs charged with making sure this does not happen fail in doing their job, then public entities like Long Beach must step in."

The action is entitled City of Long Beach v. Richard Fuld, et al. (Case No. NC052480. A copy of the complaint can be obtained by request.